

The following statistics are based on assumptions that the subject practice will continue to be operated as it has been in the past. Variation from past performance are 1) increase in fees for each year; 2) no production increase occurs; and 3) overhead expenses increase each year. Fee and overhead increases are based on estimates of inflation and can be adjusted.

The purpose of this summary is to demonstrate the individual practice revenues and profitability of this particular practice.

PRACTICE FINANCIAL SUMMARY

AMOUNT OF INCOME PERSONALLY GENERATED BY PURCHASER **\$426,015**

COMPENSATION FOR PURCHASER FOR HIS/HER PRODUCTION.
 CONSIDER A GENEROUS COMMISSION RATE OF 35% **\$149,105**

NOW CONSIDER THE PRACTICE PROFIT. THIS IS AN AMOUNT OVER AND ABOVE THE COMPENSATION FOR PURCHASER'S PRODUCTION.

THE PROFIT IS THE BENEFIT OF OWNERSHIP OF THE PRACTICE.
 ONLY PRACTICE OWNERS REALIZE PRACTICE PROFIT.

IN THIS PRACTICE, THE PROFIT, AFTER ALL EXPENSES AND SALARY
 COMPENSATION TO THE PURCHASER IS PAID AMOUNTS TO **\$300,410**

THE PROFIT - NOT INCLUDING PURCHASER SALARY, DIVIDED BY THE TOTAL LOAN
 FOR THE PRACTICE PRICE AND WORKING CAPITAL, REPRESENTS THE RATE OF **71%**

TO COMPARE THIS OPPORTUNITY TO OTHER OPPORTUNITIES, WHETHER THEY ARE ASSOCIATESHIPS OR OTHER PRACTICES TO PURCHASE, LOOK AT SEVERAL KEY DATA POINTS.	SUBJECT PRACTICE
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1. HOW DOES THE ALTERNATIVE COMPARE WITH BEFORE TAX DOLLARS (AFTER DEBT SERVICE)	\$300,410
2. WHAT IS PERCENT OF PERSONAL PRODUCTION OF PRACTICE NET INCOME	71%
3. ARE THERE TAX SAVINGS AND EQUITY INCREASES FOR THE PURCHASER	\$46,359
4. TOTAL ECONOMIC BENEFIT - NET CASH FLOW (AFTER DEBT SERVICE), EQUITY, AND TAX SAVINGS	\$346,769
5. WHAT IS PERCENT OF TOTAL ECONOMIC BENEFIT VERSUS PURCHASER PERSONAL PRODUCTION	81.4%
6. BREAK-EVEN RETENTION PERCENTAGE	7%



Eastern North Carolina	General Dentistry	
FINANCIAL DATA SUMMARY FOR PRACTICE	9236	1/19/2019 12:10

The following summary illustrates a projected year's income and expenses for the subject practice which incorporates an increase in fees and overhead expense but no increase in production. This summary is not a representation or warranty of future practice performance. Purchasers should obtain qualified legal and accounting counsel prior to any purchase decisions. **NOTE: Practice price does not include accounts receivable.**

PRACTICE INCOME

EXPECTED GROSS COLLECTIONS			\$648,270	100.0%
HYGIENE COMPONENT			\$222,255	34.3%
DENTIST COMPONENT			\$426,015	65.7%
RETIRED SELLER				
ASSOCIATE				
PURCHASER			\$426,015	65.7%

VARIABLE EXPENSES

WAGES, PAYROLL TAX, ETC.			\$173,604	26.8%
LABORATORY			\$60,361	9.3%
CLINICAL SUPPLIES			\$38,018	5.9%
OTHER VARIABLE EXPENSE			\$14,182	2.2%
TOTAL VARIABLE EXPENSE			\$286,165	44.1%

FIXED EXPENSES

RENT				
PHONE, UTILITIES			\$3,000	0.5%
LEGAL & ACCOUNTING			\$3,500	0.5%
INSURANCE			\$1,500	0.2%
OTHER FIXED EXPENSE			\$6,602	1.0%
TOTAL FIXED EXPENSE			\$14,602	2.3%

PRACTICE DEBT SERVICE

INTEREST			\$17,162	2.6%
PRINCIPAL			\$29,931	4.6%
TOTAL DEBT SERVICE			\$47,093	7.3%

SUMMARY

EXPECTED COLLECTIONS			\$648,270	100.0%
EXPECTED EXPENSES			\$300,767	46.4%
PRACTICE DEBT SERVICE			\$47,093	7.3%
EXPCTD NET INCOME AFTER EXPENSES AND DEBT & PERCENT OF PERSONAL PROD.			\$300,410	70.5%

PURCHASER PRODUCED PRODUCTION			\$426,015	65.7%
EQUITY INCREASE & PERCENT OF PERSONAL PRODUCTION			\$29,931	7.0%
TAX SAVINGS FROM DEPRECIATION & PERCENT OF PERSONAL PRODUCTION			\$16,428	3.9%
TOTAL ECONOMIC BENEFIT-CASH, TAX SAVINGS, EQUITY & % PERSONAL PROD.			\$346,769	81.4%

THIS CASH FLOW EXAMPLE IS BASED ON THE FOLLOWING ASSUMPTIONS:

PRACTICE SALES PRICE & PERCENT OF GROSS	\$339,000	54%
WORKING CAPITAL	\$31,000	
TOTAL PRACTICE LOAN	\$370,000	
PRACTICE LOAN INTEREST RATE	5.00%	
PRACTICE LOAN TERM IN MONTHS	120	
PRACTICE MONTHLY PAYMENT	\$3,924	7%

PURCHASER CASH FLOW CONSIDERATIONS

MONTHLY PRACTICE PAYMENTS	\$3,924	7%
ESTIMATED MONTHLY HYGIENE AND ASSOCIATE PROFIT	\$10,372	19%
PURCHASER SALARY BASED ON 35% OF PERSONAL PRODUCTION	\$149,105	
PRACTICE PROFIT - IN ADDITION TO PURCHASER SALARY	\$214,825	58%

TOTAL PURCHASER SALARY AND PRACTICE PROFIT	\$363,931	
LESS PRACTICE DEBT SERVICE	(\$47,093)	
PURCHASER SALARY AND PROFIT AFTER DEBT SERVICE	\$316,837	

**Eastern North Carolina
DATA SUMMARY FOR PRACTICE NUMBER 9236**

The following data is provided by the owner of the practice. It is believed to the best of the owner's knowledge to be a true and accurate representation of the facts of the practice. It is the responsibility of any purchaser to verify all information contained herein and to seek qualified counsel in the interpretation and verification thereof.

OFFICE DATA

SQUARE FOOTAGE OF OFFICE	2,600
EXPANDABLE FOOTAGE	
CURRENT MONTHLY RENTAL i.e. "1200"	\$3,690
PRICE PER SQUARE FOOT	\$17.03
IS OFFICE HANDICAPPED ACCESSIBLE?	Yes
NUMBER OF PARKING SPACES	15
PROXIMITY OF PARKING PLACES	Adjacent to building
TOTAL NUMBER OF EQUIPPED OPERATORIES	5
NUMBER OF PLUMBED BUT UNEQUIPPED OPERATORIES	
NUMBER OF OPERATORIES USED PRIMARILY BY DENTIST(S)	3
NUMBER OF OPERATORIES USED PRIMARILY BY HYGIENIST(S)	2
NUMBER OF UNPLUMBED AND EMPTY OPERATORIES	
DO YOU OWN YOUR BUILDING? YES OR NO	Yes
DO YOU WISH TO SELL THE BUILDING? YES OR NO	Yes
WAS BUILDING APPRAISED?	No
WHEN?	
APPRAISED PRICE	
IF NOT APPRAISED, ESTIMATED BUILDING PRICE	\$375,000
IF NOT FOR SALE, MO. RENTAL AMOUNT	
ANNUAL REAL ESTATE TAXES	\$5,436
ANNUAL REAL ESTATE INSURANCE COST	\$3,820
DATE OF LEASE i.e. "6/1/2016"	
DATE LEASE ENDS - i.e. "1/1/2020"	
RENEWAL OPTIONS	
IS THERE AN OPTION TO PURCHASE?	
BUILDING VALUE TO BE USED	\$375,000
PURCHASER MORTGAGE INTEREST RATE	6.00%
PURCHASER MORTGAGE TERM - YEARS	20
PURCHASER MONTHLY PAYMENT	\$2,687
PURCHASER CURRENT MONTHLY RENT	
PRICE PER SQUARE FOOT	\$12.40

WORK SCHEDULE

PLANS AFTER SALE OF PRACTICE	Retirement; move to W. Jefferson with family
DAYS/WEEK CURRENTLY WORKED	3.5
HOW MANY DAYS WOULD YOU PREFER TO WORK FOR BUYER	
DESIRED WORK DAYS/WEEK 1ST YR	
DESIRED WORK DAYS/WEEK 2ND YR	
DESIRED WORK DAYS/WEEK 3RD YR	
DESIRED WORK DAYS/WEEK 4TH YR	
DESIRED WORK DAYS/WEEK 5TH YR	
DESIRED WORK DAYS/WEEK 6TH YR	

PRACTICE DATA	
MANAGEMENT CONSULTANT IN LAST 5 YRS? IF SO WHO?	No
RESULTS	
DESCRIBE INTERNAL MARKETING	None
DESCRIBE EXTERNAL MARKETING	None
HAS GROSS CHANGED SIGNIFICANTLY? WHY?	No; may change in 2019 due to cutting back from 4 days to 3-1/2 day work week.
LIST SEDATIONS USED - NITROUS, DOCS, IV SEDATION	No
IS YOUR PRACTICE MERCURY FREE - NO AMALGAM?	No
WHAT TYPE RECALL SYSTEM	Phone call
WHAT TYPE COMPUTER SYSTEM	Eaglesoft
PURCHASER MUST PERSONALLY VERIFY PATIENT POPULATION DATA & REDUCED FEE PLANS	
ESTIMATE NUMBER OF PTS LAST 18 MONTHS	2,369
AVERAGE NUMBER OF NEW PATIENTS PER MONTH	5
AVERAGE NUMBER PTS TREATED PER DAY BY DENTIST(S)	15
AVERAGE NUMBER PTS TREATED PER DAY BY HYGIENIST(S)	20
HOW FAR AHEAD IS DENTIST SCHEDULED?	3 weeks
HOW FAR AHEAD IS HYGIENIST SCHEDULED?	6 months
PRACTICE DATA	
% INCOME FROM CASH	53%
% OF PATIENTS PAYING CASH	50%
% INCOME FROM FEE FOR SERVICE INSURANCE	45%
% OF PATIENTS WITH FEE FOR SERVICE INSURANCE	48%
% PRACTICE INCOME FROM REDUCED FEE PLANS	
% OF PATIENTS WITH REDUCED FEE PLANS	
% PRACTICE INCOME FROM CAPTITATION	
% OF PATIENTS WITH CAPITATION	
% PRACTICE INCOME FROM MEDICAID	2%
% OF PATIENTS WITH MEDICAID	2%
% PRACTICE INCOME FROM REDUCED FEE PLANS	2%
% OF PATIENTS WITH REDUCED FEE PLANS	2%
SCHEDULING DATA	
MONDAY	7:30 AM - 5:00 PM
TUESDAY	7:30 AM - 5:00 PM
WEDNESDAY	7:30 AM - 5:00 PM
THURSDAY	7:30 AM - 12:00 PM
FRIDAY	
SATURDAY	
SUNDAY	
OWNER HOURS WORKED PER WEEK	32
ASSOCIATE HOURS WORKED PER WEEK	
HYGIENIST HOURS WORKED PER WEEK	60
DENTIST PATIENT VISITS PER YEAR	3,800
HYGIENE PATIENT VISITS PER YEAR	2,900
NUMBER OF DAYS WORKED PER YEAR	190
NUMBER OF WEEKS WORKED PER YEAR	50
COLLECTION DATA	
WHAT IS YOUR COLLECTION PERCENTAGE	91%
ACTUAL ACCOUNTS RECEIVABLE BALANCE	\$73,111
WHAT IS YOUR PATIENT CREDIT BALANCE	
ACCOUNTS RECEIVABLES - CURRENT	\$33,497

ACCOUNTS RECEIVABLES - 31-60 DAYS	\$10,402
ACCOUNTS RECEIVABLE - 61-90 DAYS	\$5,080
ACCOUNTS RECEIVABLE >90 DAYS	\$24,133

WHAT PERCENTAGE OF THE PRACTICE INCOME IS:	
HYGIENIST PRODUCTION	36%
OPERATIVE	28%
PEDODONTICS	
ORTHODONTICS	
IMPLANTS	
REMOVABLE PROSTHETICS	5%
FIXED PROSTHETICS	27%
ENDODONTICS	1%
PERIODONTICS	
ORAL SURGERY	3%
COSMETIC	
TMJ TREATMENT	
SOFT TISSUE MANAGEMENT	
OTHER	
TOTAL	100%
WHAT SERVICES ARE REFERRED OUT?	Most endo, most pedo under 5 yrs., 3rd molars, implant placement
REVENUES SOURCES	
IS ANY OF YOUR REPORTED INCOME FROM ANY OTHER SOURCE THAN PATIENT TREATMENT FROM THIS PRACTICE?	No
IF SO HOW MUCH IN CURRENT PERIOD?	
IF SO , HOW MUCH FOR LAST YEAR?	
IF SO HOW MUCH FOR THE PREVIOUS YEAR?	
WHAT IS THE SOURCE OF THIS OTHER INCOME?	
FEE SCHEDULE	
ADULT PROPHY 01110	\$72
TWO SURFACE ANTERIOR COMPOSITE 02331	\$170
CORE BUILD-UP 02950	\$210
CROWN - GOLD/PORCELAIN 02750	\$925
ANTERIOR CANAL ROOT CANAL 03310	\$625
PANORAMIC X-RAY 00330	\$100
TWO SURFACE POSTERIOR COMPOSITE 02392	\$180
CROWN - PORCELAIN CERAMIC 02740	\$925
LABIAL PORCELAIN VENEER 02962	\$895
BICUSPID ROOT CANAL 03320	\$725
AVERAGE OF FEES	\$483
PERCENT OF FEE PARITY	81%
DEMOGRAPHIC DATA	
WHAT IS APPROX. POPULATION OF YOUR CITY OR TOWN	6,000
WHAT IS APPROX. POPULATION OF YOUR DRAWING AREA	50,000
APPROXIMATE NUMBER OF GENERAL DENTAL PRACTICES WITHIN	seven
MAJOR EMPLOYERS IN AREA	two miles
	Sampson Regional Medical Center; Prestage Farms, Smithfield Foods, Clinton City Schools, Sampson Cty. Schools
DESCRIBE ANY MAJOR ECONOMIC CHANGES IN DRAWING AREA	Largely agricultural base economy

STAFF DATA				
POSITION	YEAR HIRED	STAY	BENEFITS	ANNUAL SALARY AND/OR COMMISSION PERCENT
RECEPTIONIST	1986	Yes	\$4,000	\$41,800
OFFICE MANAGER				
INSURANCE				
OTHER FRONT DESK				
BOOKKEEPER				
ASSISTANT	1996	No	\$1,000	\$26,000
ASSISTANT				
ASSISTANT				
ASSISTANT				
ASSISTANT				
HYGIENIST	1986	Yes	\$4,900	\$55,000
HYGIENIST	1990	No	\$4,600	\$49,000
HYGIENIST				
HYGIENIST				
LAB TECHNICIAN				
LAB TECHNICIAN				
ASSOCIATE				
ASSOCIATE				
ASSOCIATE				
OTHER-WIFE	1996	No	\$1,000	\$26,000
WHAT BENEFITS DO YOU PROVIDE FOR THE STAFF?				\$160 month "bonus" for health insurance; 4% 401k r vacation/5K
DO YOU HIRE ANY UNPAID FAMILY MEMBERS? No				
WHAT POSITION DO THEY HOLD?				
WHAT IS THE ESTIMATED MARKET VALUE OF THEIR JOB?				
THAN THE NORMAL SALARY FOR THEIR POSITION?				
WHAT POSITIONS AND WHAT IS AMOUNT OF OVER/UNDER COMPENSATION FOR EACH				practice since I currently have no dental assistant. Jean's salary could be used to hire dental assistant by new DDS
COLLECTION CENTERS				
PERIOD		AS OF 12/31/2018	2017	2016
GROSS COLLECTIONS		\$625,698	\$616,270	\$641,000
OWNER COLLECTIONS		\$410,698	\$391,270	\$436,000
HYGIENIST COLLECTIONS		\$215,000	\$225,000	\$205,000
ASSOCIATE COLLECTIONS				
ASSOCIATE COLLECTIONS				
ASSOCIATE COLLECTIONS				
ASSOCIATE COLLECTIONS				
ASSOCIATE SALARY IN DOLLARS OR COMMISSION PERCENT				
HYGIENIST SALARY IN DOLLARS OR COMMISSION PERCENT				

CONFORMITY DATA	
DOES YOUR PRACTICE MEET OSHA STANDARDS? WHY NOT?	Yes
DOES YOUR PRACTICE MEET HIPAA STANDARDS? WHY NOT?	Yes
ANY DISCIPLINARY ACTION IN LAST 7 YRS? EXPLAIN	No
ANY PRACTICE LAWSUITS FILED IN PAST TEN YRS. EXPLAIN	No
DESCRIBE ANY HEALTH PROBLEMS WHICH WOULD AFFECT YOUR PRACTICE OF DENTISTRY?	None
INSURANCE EXPLANATION	
TOTAL EXPENSE FOR INSURANCE IN CURRENT PERIOD	\$27,053
HOW MUCH OF TOTAL IS FOR OWNER HEALTH INSURANCE?	\$22,169
HOW MUCH OF TOTAL IS FOR STAFF HEALTH INSURANCE?	
HOW MUCH OF TOTAL IS FOR OTHER OWNER BENEFITS?	
HOW MUCH OF TOTAL IS FOR MALPRACTICE INSURANCE?	\$1,064
HOW MUCH FOR TOTAL IS FOR BUILDING INSURANCE?	\$3,820
TAXES AND LICENSES EXPLANATION	
TOTAL EXPENSE FOR TAXES	
HOW MUCH OF TOTAL IS FOR PAYROLL TAXES?	
HOW MUCH OF TOTAL IS FOR STAFF PAYROLL TAX?	
HOW MUCH OF TOTAL IS FOR OWNER PAYROLL TAX?	
HOW MUCH OF TOTAL IS AD VALOREM (PRACTICE EQUIP)?	\$803
HOW MUCH OF TOTAL IS FOR REAL ESTATE TAXES?	\$4,634
PENSION EXPLANATION AND 401k COMBINED	
TOTAL EXPENSES FOR PENSION PLAN	\$19,500
HOW MUCH OF TOTAL IS FOR STAFF	\$4,485
HOW MUCH OF TOTAL IS FOR OWNER?	\$15,015
BENEFITS EXPLANATION	
TOTAL EXPENSE FOR EMPLOYEE BENEFITS	\$20,000
HOW MUCH OF TOTAL IS FOR STAFF?	\$20,000
HOW MUCH OF TOTAL IS FOR OWNER?	
REDUCED FEE PLANS	
NAME OF PLAN - BE SURE TO LIST DELTA PREMIER IF YOU HAVE IT	% OF PRX INCOME FROM THIS PLAN
N/A	

DESCRIBE YOUR PRACTICE, STAFF, PATIENTS, COMMUNITY, AND PRACTICE PHILOSOPHY AND THE BEST STRENGTHS AND WORST WEAKNESSES OF YOUR PRACTICE:

My staff has been with me all 33 years that I have practiced here-they are like family. My staff and I can tell you a little about each patient in our practice. Patient demographics range from some of the wealthiest families in N.C. to some that have very little. They are all treated with the same respect and courtesy.

We charge very little to our senior citizens and some of those who we know have hardships--nothing. The same with friends and church members. Our bottom line production & collections would be much higher consequently but my staff and I understand there is more than just meeting production goals.

I have not been the greatest business manager (I've never looked at a report until this valuation) but I think we have a "successful" practice. Our treatment may not be "ideal" dentistry but we try to meet the immediate needs. I have performed almost all repairs and I.T. work myself so this may show up as expense in next owner. The person who purchases this practice needs to be a part of this community, to interact with our patients and be flexible in meeting their needs. An oral surgeon who I refer to told me this week he knows when patients come from our practice because they are always so nice and easy to work with. That is true and I think reflects on how we have tried to treat each one as family. My staff has certainly been loyal and is second to none.

